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### For Children & Public Education

The Political Action Committee of the National Education Association  
1201 Sixteenth Street, NW, Washington, DC 20036-3290  
202-822-7300

November 26, 2002

Scott Walker  
Senior Campaign Finance Analyst  
Reports Analysis Division  
Federal Election Commission  
999 E St NW  
Washington DC 20463-0001

VIA FEDERAL EXPRESS

Identification Number: C00003251

Reference: Amended July Monthly Report (6/1/02-6/30/02), received 8/21/02

Dear Mr. Walker:

We apologize for the lateness of our response to your request for additional information. We have been experiencing severe, recurring software problems that have taken all of our concentration and effort until recently.

Following are the responses to your three questions:

1. The person who previously handled the FEC filing and PAC accounting was on maternity leave from early June, leaving a series of temporary employees and other department staff to try to handle her responsibilities at a very hectic time of year for the NEA. In the confusion the \$300,000 in transfers to our affiliated, non-federal account were erroneously posted to the month of July and first reported on the August 20 Report as a result. We realized that not only were the transfers to the non-federal account being reported on the wrong FEC report line and under the incorrect name, "Allfirst Bank," (where both accounts are maintained), but that the transfers in question were posted and reported in the wrong period. Our amendment for this report, as well as all subsequent reports was intended to rectify all of these errors; however, due to confusion over how to use our software we neglected to correct the payee name. We have since configured the software to correctly report these transfers and have instituted a monthly reconciliation process to ensure that this error does not recur.
2. Regarding the Primary Election contributions made after the elections occurred, we have sent requests to all of the applicable candidates requesting full refunds. We will report the refunds as they are received. The only excuse for this happening is that we in accounting assumed that those requesting the contributions were aware of the election dates and knew the rules. We have since instituted a new contribution request form that requires the election date be entered, with an explanation that contributions must be made prior to an election and that any debt retirement contributions must be accompanied with a statement from the candidate committee that such a debt does indeed exist. The most troubling aspect of this is that the candidate committees did not catch the errors either -- and they should know better than anyone when their respective primaries are to be held. Copies of the refund requests are attached.